

**WARNING LETTER
AND
NOTICE OF AMENDMENT**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 3, 1997

Mr. David Sinclair
Vice President of Operations
Enstar Natural Gas Company
P.O. Box 190288
Anchorage, Alaska 99519-0288

CPF No. 57007

Dear Mr. Sinclair:

On June 4, 5, and 6, 1997, a representative of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an on-site pipeline safety inspection of ENSTAR records at your offices in Anchorage and Soldatna, Alaska and your pipeline distribution facilities in Kenai and Soldatna, Alaska.

As a result of the inspection, it appears that ENSTAR has committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 192. The items inspected and the probable violations are:

- 1. §192.479(a) Atmospheric Corrosion Control: General. Each above ground pipeline or portion of a pipeline installed after July 31, 1971, that is exposed to the atmosphere must be cleaned and either coated or jacketed with a material suitable for the prevention of atmospheric corrosion.**

Extensive atmospheric corrosion beyond that of surficial rust was noted at the following locations:

- 1) Exposed 4-inch main below the Kenai River Bridge, particularly where the main transitions above the bridge embankment soil;
- 2) HEA regulator station piping immediately adjacent to the catalytic heaters surrounding each regulator; and
- 3) Piping and tanks associated with the Bernice Lake Regulator Station.

2. **§192.481 Atmospheric Corrosion.** After meeting the requirements of 192.479(a) and (b), each operator shall, at intervals not exceeding 3 years for onshore pipelines, reevaluate each pipeline that is exposed to the atmosphere and take remedial action whenever necessary to maintain protection against atmospheric corrosion.

Enstar does not have adequate procedures to ensure that they monitor atmospheric corrosion on all above ground pipelines and components. *Enstar Standard Operating Procedure, SOP 1500* does not ensure that the condition of all above ground pipeline components are examined for atmospheric corrosion. Currently, only the regulator station inspections have an inspection form that documents the severity of atmospheric corrosion. The existing valve survey instructions do not include atmospheric corrosion assessment. It also does not appear that there is a procedure for inspecting atmospheric corrosion of above ground pipelines. Enstar must revise their atmospheric corrosion procedures to ensure that atmospheric corrosion on all above ground pipelines and piping are evaluated every three years.

3. **§192.707 Line markers for mains and transmission lines.**
 - (a) **Buried pipelines.** Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main or transmission line: (1) At each crossing of a public road and railroad; and (2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference, and
 - (b) **Exceptions for buried pipelines.** Line markers are not required for ... (2) Mains in Class 3 or 4 locations where a damage prevention program is in effect under §192.614

Pipeline markers were not noted at public road crossings of Enstar's three-inch diameter mains that parallel the Sterling Highway east of Soldatna, Alaska. The area appears to have a Class location of 1 or 2. Enstar has not conducted a study to determine the class location of the Kenai distribution mains. After completion of a class location study, Enstar must place and maintain pipeline markers at each public road crossing of a natural gas main in a Class 1 or 2 area.

4. **§192.605 Procedural manual for operations, maintenance, and emergencies.**

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for operating, maintaining and repairing the pipeline in accordance with each of the requirements of this Subpart and Subpart M of this part.

Enstar does not have procedures that adequately meet the requirements of §192.707 of Subpart M. *Enstar Standard Operating Procedure, SOP 1404* incorrectly states that, "Generally pipeline markers are not required on Company distribution mains." Pipeline markers are required in Class 1 and 2 areas regardless of an effective damage prevention program. Enstar must modify its procedures to ensure that pipeline markers are present at each crossing of a public road or railroad in Class 1 and 2 areas. This will require that a class location study of all Enstar pipelines, including distribution mains, be conducted to determine if pipeline markers are required.

5. **§192.721 Distribution systems: Patrolling.**

(a) The frequency of patrolling mains must be determined by the severity of the conditions which could cause failure or leakage, and the consequent hazards to public safety.

(b) Mains in places or on structures where anticipated physical movement or external loadings must be patrolled at interval not exceeding 4-1/2 months, but at least four times each calendar year.

At the time of the inspection, Enstar has not identified any distribution mains that may be subject to these conditions. *Enstar Standard Operating Procedures, SOP 1420* requires the Manager of Transmission Operations to conduct an annual review to determine and identify any portion of the distribution system that meet these criteria. As evidenced by the atmospheric corrosion noted on the Kenai river bridge pipelines and moderate erosion occurring at the bridge abutments, Enstar must add bridge supported mains to the distribution system patrolling schedule during its annual review.

Under 49 United States Code §60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation involved for violation numbers 1 and 3, and have decided not to assess a civil penalty. We advise you however that should you not correct the circumstances leading to the violation, we will take enforcement action when and if the this violation comes to our attention.

In regard to violation item numbered 2, 4, and 5 relating to your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing to you a Notice of Amendment. As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. §190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. §190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice.

Sincerely,

Edward J. Ondak
Director

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